

CITY OF LEBANON

2017-2021 Farm Lease for Non-Exempt Property

This Lease made this 6th ~~11TH~~ day of January ~~NOVEMBER~~, 2016⁷, by and between THE CITY OF LEBANON, an Ohio municipal corporation, hereinafter called "Lessor", and **FRED VONDERHAAR**, hereinafter called "Lessee".

(1) LEASE OF PROPERTY.

Lessor, for and in consideration of the agreement of the Lessee, hereinafter described, has this day leased onto the Lessee approximately 217 acres of real estate located in Warren County, Ohio (the "Property") as further described in "Exhibit A" attached hereto. The Property does not include any dwelling houses, barns, or other farm structures, or any fixtures or equipment that may be located on the Property.

(2) TERM OF LEASE

The Term of this lease shall be from January 1, 2017 to December 31, 2021, and this Lease shall not continue in effect thereafter without written consent of Lessor. The term of this Lease may be modified by written agreement of the parties. If Lessor determines, in its sole discretion Lessee has not complied with the terms of this lease, Lessor may terminate the lease upon thirty (30) days written notice of non-compliance to Lessee. Lessor may also terminate the Lease for Lessor's sole convenience upon ninety (90) days written notice to Lessee for any or no reason. In the event the Lessee has crops planted at the time of receiving a written notice of lease termination from Lessor, the Lessor agrees to compensate the Lessee for the loss of any established (50% crop yield) crops for that contract year. In the event the Lessor requires the use of the Property and that use results in a reduction of the leased area, the lease shall be modified to reflect the current lease conditions. The modifications may include an adjustment of the annual lease payment to compensate the Lessee for the loss of any established (50% crop yield) crops within the subject area for that contract year. The Lessor and Lessee shall mutually agree on the compensatory value, and such compensation shall be based on a per acre assessment of the specific crop yield and provided in Exhibit B.

(3) RENTAL PAYMENT.

Lessee agrees to pay Lessor rent for the Property the sum of \$65,241.00 (\$ per year. The rent shall be paid to the Lessor on or before January 31 of each lease year.

(4) SYSTEM OF FARMING AND SOIL MAINTENANCE.

The Property shall be devoted to agriculture crops including, but not limited to corn, soybeans, wheat, alfalfa, etc.

(5) USE AND CARE OF PROPERTY.

Lessee agrees to the following:

- (A) The Property shall be used solely for the growth, maintenance, and harvesting of agricultural crops, and no other purpose without the express written consent of Lessor.
- (B) All field grounds of the Property shall be well maintained in cultivating, fertilizing, and managing the Property. Specifically the soil shall be preserved in a careful and prudent manner, to control erosion as completely practicable and to comply with all applicable laws, including, but not limited to, laws pertaining to the protection of the environment.
- (C) The field grounds of the Property that are accessible shall be mowed.
 - (i) Lessee shall harvest agricultural crops as deemed appropriate based on the best practices specific to the type of crop.
 - (ii) Lessee shall cut the hay a minimum of two (2) times per year unless other arrangements are specified herein. If hay is put in windrows, they must be collected or mulched.
 - (iii) Road sides, including ditch lines, shall be mowed from the edge of pavement to sixteen (16) feet back into the Property where allowable, at least four (4) times a year.
 - (iv) Weed control on the Property shall be the responsibility of the Lessee.
- (D) All harvest activities shall be completed by November 30 of each year, time extensions shall be requested in writing thirty (30) days prior to such date.
- (E) Lessee shall make no alterations or improvements to the Property without the Lessor's prior written consent.

- (F) No livestock shall be permitted on the Property for any purposes whatsoever.
- (G) Application of chemicals to the field grounds of the Property, including but not limited to herbicides, insecticides, and fertilizers, is prohibited without prior written consent of the Lessor. All chemical applications, if permitted, will comply with federal, state, and local regulations. The Lessor will consider requests for chemical application in accordance with the USEPA guidelines.
- (H) All grass waterways, terraces, open ditches, and inlets and outlets of tile drains shall be kept in good repair and clear of obstruction.
- (I) Lessee will prepare and keep adequate records of all farming operations on the property including, but not limited to the type, amount and cost of all seeds planted; the type, amount and cost of all fertilizers, insecticides, herbicides and any other chemicals applied to the property, if authorized. Such records shall be open and available for copying and/or inspection by Lessor upon reasonable notice to Lessee.

(6) INSURANCE AND LIABILITY.

Lessee shall maintain comprehensive general public liability insurance suitable and customary for farming operations (including automobile and farming equipment), for personal injury, death and property damage in an amount satisfactory to lessor and adequate workers' compensation insurance in compliance with the laws and statutes of Ohio. Lessor shall be an additional insured on such policies. Lessee will provide Lessor with certificates of all insurance and compliances with the Ohio Workers' Compensation laws. Any personal property kept on the Property by Lessee shall be at Lessee's sole risk.

(7) INDEMNIFICATION.

Lessee shall indemnify, defend and save Lessor harmless against any and all judgments, orders, claims, liabilities (including statutory liability and liability under workers' compensation laws), losses, damages, costs and expenses (including attorney's fees) made against, imposed upon or incurred by Lessor and which arise directly or indirectly out of or in connection with any occurrence on or above the Property, the use and occupancy of the Property by Lessee, his invitees, employees, agents, or contractors or

the breach of any of Lessee's obligations under this Lease, but excepting any liability arising from the negligence or willful misconduct of Lessor, its agents or employees.

(8) RIGHT OF ENTRY.

Lessor reserves the right to enter upon the Property to inspect the same, to make improvements, and for any lawful purposes arising from Lessor's ownership of the Property.

(9) ENVIRONMENTAL INDEMNITY.

(A) Lessor shall fully and promptly pay, perform, discharge, defend, indemnify and hold harmless Lessee from and against any and all claims, orders, demands, causes of actions, proceedings, judgments or suits and all liabilities, losses, costs or expenses (including, without limitations, technical consultant fees, court costs, expenses paid to third parties and reasonable legal fees) and damages arising out of or as a result of (i) the "release" of any "hazardous substance" as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), or petroleum (including crude oil or a fraction thereof) into, on or from the Property to the extent caused by Lessor, its employees, agents or contractors, or (ii) the existence of any "hazardous substances" or petroleum act, on or in the Property or neighboring properties caused or placed therein by Lessor, its employees, agents, or contractors. Lessee shall fully and promptly pay, perform, discharge, defend, indemnify and hold harmless Lessor from and against any and all claims, orders, demands, causes of actions, proceedings, judgments or suits and all liabilities, losses, costs or expenses (including, without limitations, technical consultant fees, court costs, expenses paid to third parties and reasonable legal fees) and damages arising out of or as a result of (i) the "release of and "hazardous substance" as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980) ("CERCLA"), or petroleum (including crude oil or a fraction thereof) into, on or from the Property to the extent caused by Lessee, its employees, agents or contractors, or (ii) the existence of any "hazardous substances" or petroleum at, on or in the Property or neighboring properties to the extent caused or placed therein by Lessee, its employees, agents, or contractors.

(10) COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT.

Lessee shall bear the sole responsibility for compliance with Title III of the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 (including any amendments thereto from time to time, (the "Act")), and the Department of Justice regulations, at 28 C.F.R. Page 36, or any other regulations implementing the Act, except to the extent any failure of the Property to comply with the Act is caused by lessor. Lessee shall indemnify and hold harmless Lessor from and against any and all claims, demands, causes of action, suits, proceedings or liabilities of every kind and nature whatsoever resulting or arising out of any failure of the Property to comply with the Act, and against any loss or expenses resulting or arising out of the same, including attorney's fees and litigations expenses, except to the extent any failure of the Property to comply with the Act is caused by Lessor.

(11) ACCUMULATION OF WASTE, JUNK, OR REFUSE MATTER

Lessee shall not permit the accumulation of waste or refuse matter on the Property or anywhere in or near the leased Property. Lessee shall not store or leave automobiles, trucks, tractors or other vehicles or farm equipment on the Property.

(12) ASSIGNMENT OR SUBLEASE.

Lessee shall not, without first obtaining the written consent of Lessor, assign, mortgage, pledge or encumber this Lease, in whole or in part, or sublet the Property or any part thereof.

(13) EMINENT DOMAIN/ASSESSMENTS.

(A) If the Property or any part thereof, or any estate therein, or other part of the building be taken by eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of said termination date, and any rent paid for any period beyond said date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim with the appropriating authority for the taking of fixtures and improvements owned by Lessee and for moving expenses. Should the Lease be terminated as provided in this subparagraph, this Lease shall terminate on the date specified in the notice and on that date, Lessee shall quit and surrender the Property to Lessor.

(B) If the Property or any part thereof, or any estate therein shall become subject to an assessment by any governmental authority, Lessor may increase the rent due under paragraph (3) hereinabove by 1/12th the annual charge for any assessment.

(C) If the property or any part thereof, or any estate therein shall become subject to the order of any governmental authority, Lessor may increase the rent due under paragraph (3) hereinabove by the cost of compliance with such orders probated over the balance of the term of this Lease.

(14) DAMAGE OR DESTRUCTION OF THE PROPERTY.

Should the Property or any part thereof, or any estate therein, or any other part of the land become untenable, Lessor may declare the property untenable and terminate this lease upon seven (7) days' written notice to Lessee, and on the date specified on said notice, the term of this Lease shall terminate and Lessee shall then quit and surrender the Property to Lessor, but Lessee shall remain liable as herein provided.

(15) BANKRUPTCY

If at any time prior to the date first above written or any time thereafter there shall be filed by or against Lessee, in any court, pursuant to any statute either of the United States or any state, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or if Lessee makes an assignment for the benefit of creditors or if there is an assignment by operation of law, or if any execution or attachments shall be levied upon any of Lessee's property or the demised Property are taken or occupied or attempted to be taken or occupied by someone other than the Lessee, then this Lease shall, at the Lessee's expenses, be canceled and terminated; and in which event, neither Lessee nor any person claiming through or under Lessee or by virtue of any statute or of any order of any court shall be entitled to possession of the demised Property and any crops remaining on the Property shall become the sole property of Lessor.

(16) LIENS

Lessee shall not permit any mechanic's or materialmen's lien to attach to the premises on account of any improvements by Lessee, and shall indemnify, defend, and save and hold harmless Lessor from any and all mechanic's liens that may be filed against the demised premises as the result of Lessee's action.

(17) SURRENDER AT END OF TERM

Upon the expiration of this Lease, Lessee shall give peaceable possession of the Property described in "Exhibit A" attached hereto to Lessor in as good a condition as upon execution hereof, usual wear and tear excepted.

(18) QUIET ENJOYMENT

Lessor covenants that so long as Lessee pays the rent, any additional rent as herein provided, and performs the covenants hereof, Lessee shall peaceably and quietly have, hold, and enjoy the premises for the term herein provided, subject to the provisions of this Lease.

(19) DEFAULT

It is agreed that any violation of this Lease by Lessee shall, after thirty (30) days' notice (during which the default may be cured), be just cause for immediately terminating this Lease. Such termination shall be in addition to any other remedies that may be available at law or in equity and shall be given in writing to Lessee at the address shown hereinabove or as such other address as Lessee may hereinafter designate in writing.

(20) GOVERNING LAW

The parties agree that the provision of this Lease and the enforcement of these provisions shall be governed by the law of the State of Ohio.

(21) APPLICABILITY TO HEIRS AND ASSIGNS.

The provisions of this Lease shall apply to, bind, and inure to the benefit of Lessor and Lessee, and their respective heirs, successors, legal representatives and assigns.

(22) NO OTHER REPRESENTATIONS

No representations or promises shall be binding on the parties hereto except those representations and promises contained herein, or in some future writing signed by the parties making such representations.

(23) SUBORDINATION

At the request of Lessor, Lessee agrees to subordinate its interest in the Property to a mortgage lender of Lessor, on the condition that such mortgage lender agrees that Lessee's occupancy shall not be disturbed as long as Lessee is not in default of any terms and conditions of this lease.

(24) HOLDING OVER

Any holding over after the expiration of the term of this Lease, with the express written consent of the Lessor, shall be construed to be a tenancy from month-to-month at a monthly rent equivalent to the prior month, and shall otherwise be on the terms and conditions herein specified.

(25) NOTICES

All notices to be given by either party shall be given in writing and by depositing the same in the United States mail, postage prepaid, certified, return receipt requested, and addressed to the parties at the following addresses:

Lessor's Address:

City of Lebanon, Ohio
50 S. Broadway
Lebanon, OH 45036

Lessee's Address:

(26) BINDING EFFECT

This Lease and all covenants, provisions and conditions set forth herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of the parties hereto.

(27) RECORDATION

It is the intention of the parties that this Lease shall not be recorded. The parties at the request of the other forthwith shall execute a "Memorandum of Lease" containing the dates of commencement and expiration of the term of the Lease and otherwise in a form that is entitled to be recorded.

SIGNED as of the date first written above.

THE CITY OF LEBANON

By:



George P. Clements - City Manager - Lessor

By:



Lessee

STATE OF OHIO)
) SS:
COUNTY OF WARREN)

Before me, a Notary Public in and for said County, personally appeared The City of Lebanon, an Ohio municipal corporation, by George P. Clements, City Manager, who acknowledged that he did sign the foregoing instrument and that the same is his free act and deed personally as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Lebanon, Ohio, this 6th day of January, 2016.



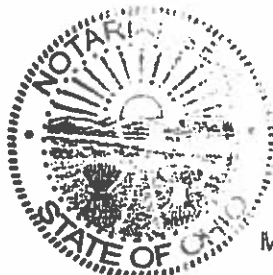
KAREN GRAVES
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Montgomery County
My Comm. Exp. 10/28/2020

Karen Graves
Notary Public

STATE OF OHIO)
) SS:
COUNTY OF WARREN)

Before me, a Notary Public in and for said County, personally appeared the above-named Fred Vanderhaar who acknowledged that he/she did sign the foregoing instrument and that the same is his/her free act and deed personally as such officer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal at Lebanon, Ohio, this 6th day of January, 2016.



KAREN GRAVES
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Montgomery County
My Comm. Exp. 10/28/2020

Karen Graves
Notary Public

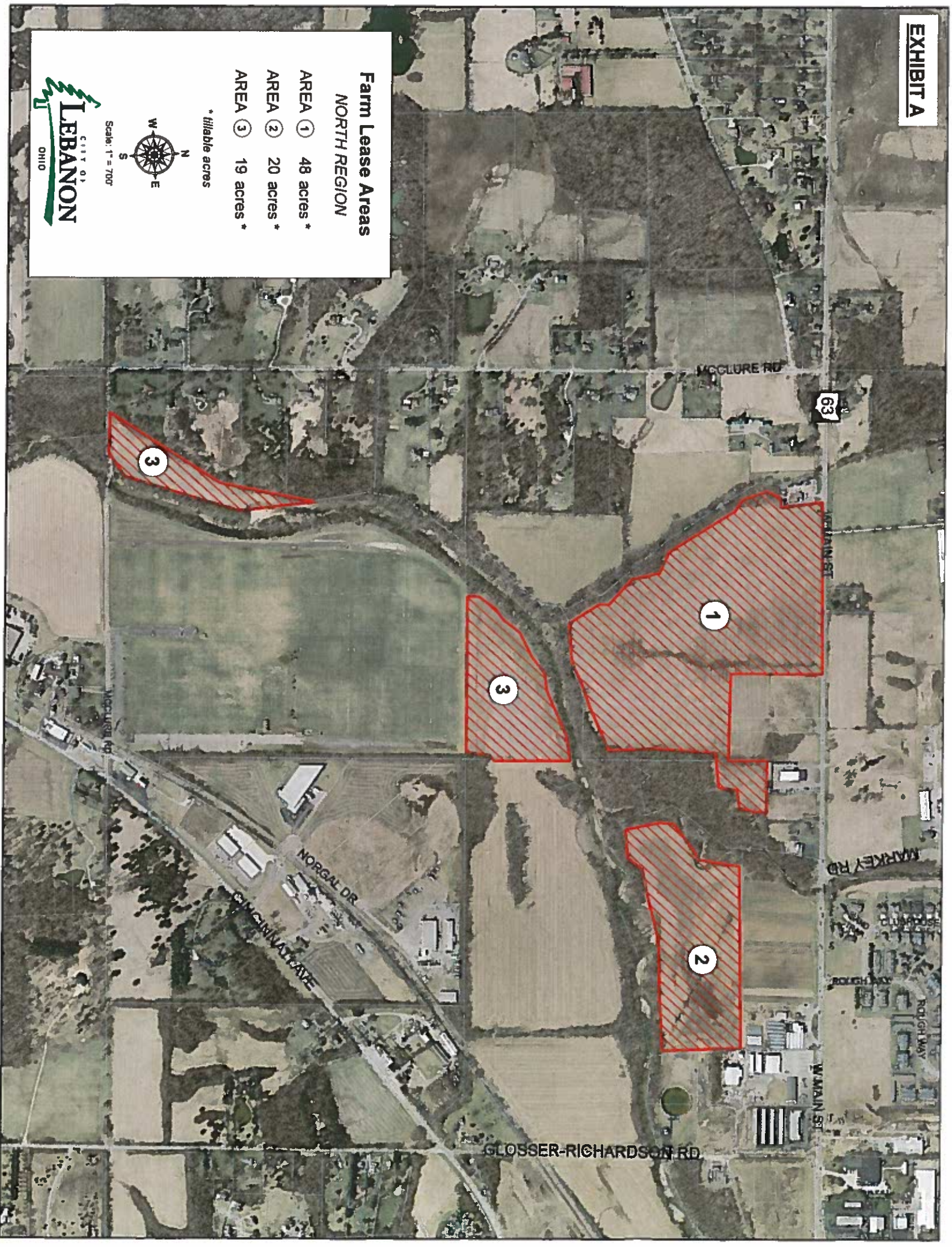
**Farm Lease Areas
NORTH REGION**

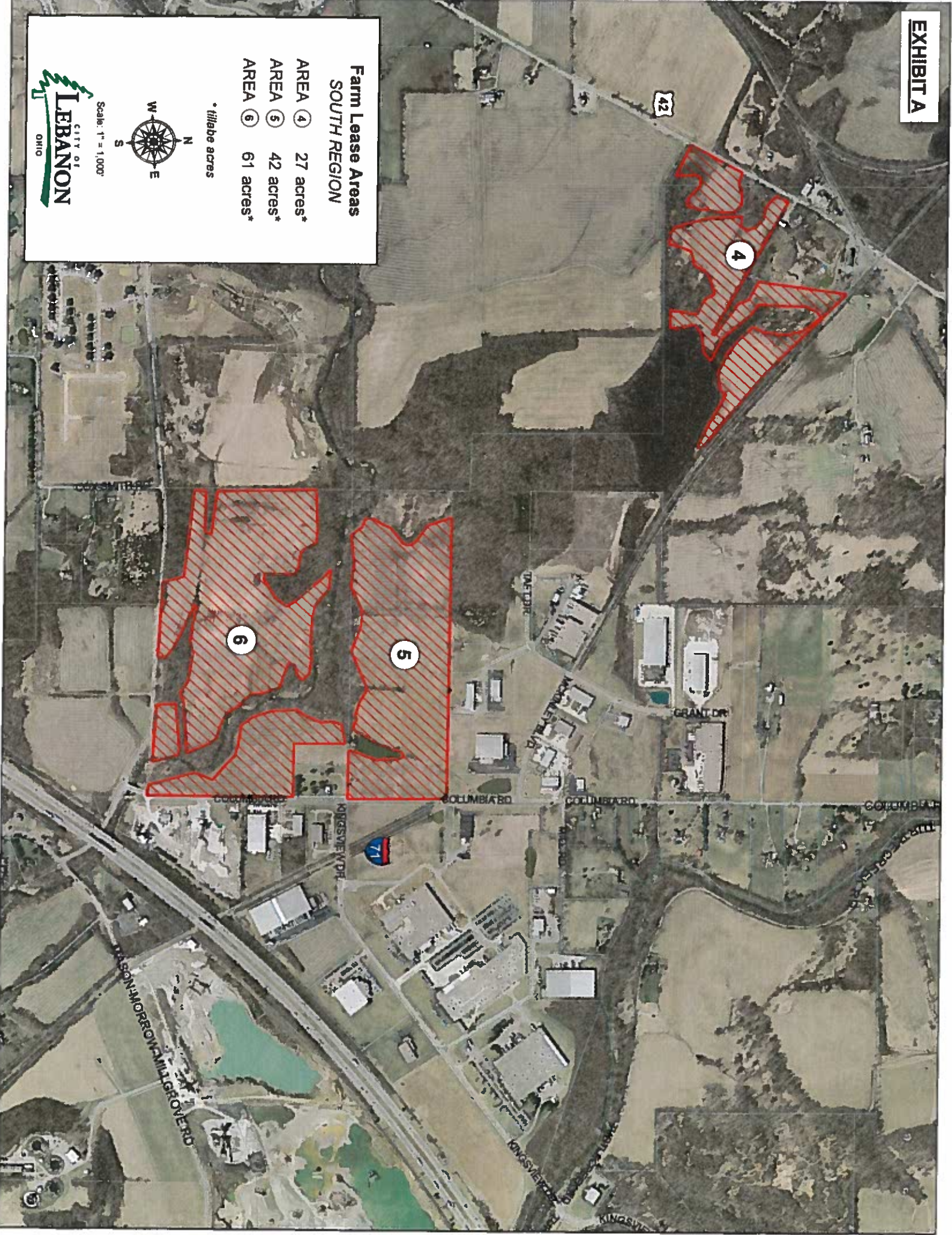
- AREA ① 48 acres *
- AREA ② 20 acres *
- AREA ③ 19 acres *

* tillable acres



Scale: 1" = 700'

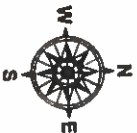




**Farm Lease Areas
SOUTH REGION**

- AREA ④ 27 acres*
- AREA ⑤ 42 acres*
- AREA ⑥ 61 acres*

* tillable acres



Scale: 1" = 1,000'



Exhibit B

<u>Crop</u>	<u>Compensatory value (\$ per ac.)</u>
Corn	\$ 800. ⁰⁰ _—
Soy	\$ 650. ⁰⁰ _—
Wheat	\$ 650. ⁰⁰ _—
Oats	\$
Hay (Alfalfa)	\$ 300. ⁰⁰ _—
Other	\$